

**ANALYSING THE CONTRIBUTION OF TAILORING BUSINESS IN  
ZANZIBAR ECONOMY: A CASE OF URBAN WEST REGION ZANZIBAR**

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**CERTIFICATION**

The undersigned certifies that he read and hereby recommends for acceptance by the Open University of Tanzania a dissertation titled: ***“Analysing the Contribution of Tailoring Business in Zanzibar Economy: A Case of Urban West Region, Zanzibar***, in partial fulfilment of the requirements for the Master Degree of Business Administration of the Open University of Tanzania.

.....

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(Supervisor)

.....

Date

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## DECLARATION

I, **Mambo H. Mwita**, do hereby declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

.....

Signature

.....

Date

**DEDICATION**

My study is dedicated to my loving family for their support and patience during the entire period of my study. Special dedication goes to my late mother who always inspired me in spite of her sickness. May God rest her soul in peace- Ameen.

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## **ABSTRACT**

The objective of this research was to analyze the contribution of tailoring business in Zanzibar economy. Few researches were done in Zanzibar but the tailoring was not investigated as a specific business sector. The research design was descriptive, quantitative and qualitative. Data for the study were collected by using questionnaires and interviews. The study revealed that, Owners and Tailors have the important contribution to Zanzibar economy in terms of creating many jobs and reduce unemployment which eventually results into substantial reduction of poverty. In spite of that contribution, the study also found that all identified forms of this business were conducted their businesses at the micro and small levels so the growth of this industry and earnings were inefficient. The study found various factors that constraint the development of this industry, some of them were of government policies, technological and business knowledge. For mitigating or reduce the problem, the researcher recommend RGoZ to improve policies, to enhance tailoring industry of all possible ways such as giving fair loans, incubating them over the period programmed. Giant owners were advised to motivate their tailors. In overall, tailors and owners were suggested to value their profession by gaining their knowledge, skills and do what their customers want.

## TABLE OF CONTENTS

<b>CERTIFICATION .....</b>	<b>ii</b>
<b>COPYRIGHT .....</b>	<b>iii</b>
<b>DECLARATION.....</b>	<b>iv</b>
<b>DEDICATION.....</b>	<b>v</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>vi</b>
<b>ABSTRACT.....</b>	<b>vii</b>
<b>LIST OF TABLES .....</b>	<b>xii</b>
<b>LIST OF FIGURES .....</b>	<b>xiii</b>
<b>LIST OF APPENDICES.....</b>	<b>xiv</b>
<b>LIST OF ABBREVIATIONS.....</b>	<b>xv</b>
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>1.0 INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.2 Statement of the Research Problem.....	3
1.3 Research Objectives .....	4
1.3.1 General Research Objective .....	4
1.3.2 Specific Research Objectives .....	4
1.4 Research Questions .....	4
1.4.1 General Research Question .....	4
1.4.2 Specific Research Questions .....	5
1.5 Significance of the Study .....	5
1.6 Scope of the Study.....	5



1.7	Organization of the Study .....	6
2.1	Introduction .....	7
2.2	Conceptual Definitions.....	7
2.2.1	Tailoring Business.....	7
2.2.2	Profit.....	7
2.2.3	Contribution .....	8
2.2.4	Economy.....	8
2.3	Theoretical Literature Review.....	9
2.3.1	Economic Theory .....	9
2.3.2	The Theories of Employment.....	10
2.3.3	Job Creation and Job Destruction in the Theory of Unemployment.....	11
2.3.4	The Theory of Taxation.....	12
2.4	Empirical Analysis .....	14
2.4.1	Studies in the World.....	15
2.4.2	Studies in Africa.....	19
2.4.3	Studies in Tanzania .....	23
2.5	Research Gap.....	27
2.7	Theoretical Framework .....	29
	<b>CHAPTER THREE .....</b>	<b>33</b>
<b>3.0</b>	<b>RESEARCH METHODOLOGY.....</b>	<b>33</b>
3.1	Introduction .....	33
3.2	Research Design .....	33
3.3	Area of the Research .....	34
3.4	Population of the Study .....	35

3.5	Sampling Procedures and Size .....	35
3.6	Methods of Data Collection .....	36
3.7	Data Collection Tools.....	36
3.8	Reliability and Validity of Data .....	37
3.8.1	Reliability of Data .....	37
3.8.2	Validity of Data .....	38
3.9	Variables and Measurement Procedures .....	38
3.10	Data Processing and Analysis .....	39
<b>CHAPTER FOUR.....</b>		<b>39</b>
<b>4.0</b>	<b>DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION .....</b>	<b>39</b>
4.1	Introduction .....	39
4.2	Data Analysis and Presentation .....	40
4.2.1	Challenges .....	46
4.3	Discussion of the Findings .....	53
<b>CHAPTER FIVE.....</b>		<b>60</b>
<b>5.0</b>	<b>SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS .....</b>	<b>60</b>
5.1	Introduction .....	60
5.2	Summary of the Main Findings.....	60
5.3	Conclusion.....	63
5.4	Recommendations .....	63
5.4.1	Recommendations to Revolutionary Government of Zanzibar .....	64
5.4.2	Recommendation to Public Companies .....	69

5.4.3 Recommendation to Tailors and Owners .....	70
5.4.4 Recommendation to Customers .....	72
5.5 Implication of the Finding.....	72
5.6 Limitation of the Study .....	73
5.7 Suggestion for Further Study .....	74
<b>REFERENCES .....</b>	<b>75</b>
<b>APPENDICES .....</b>	<b>79</b>

## LIST OF TABLES

Table 3.1: Population of the Study.....	35
Table 3.2: Sample Size.....	36
Table 4.1: Category and Sex of the Respondents Involved in the Study as a Sample Size .....	41
Table 4.2: Forms of Tailoring Business in Zanzibar.....	41
Table 4.3: Employment Extension of Tailoring Business in Zanzibar .....	42
Table 4. 4: Registered Firms of Tailoring Industry in Zanzibar .....	42
Table 4.5: Different Authorities where Owners & Tailors Registered to Pay Taxes in Zanzibar .....	43
Table 4.6: Duration of Paid Taxes by Owners and Tailors.....	44
Table 4.7: Ranged Amounts of Tax Paid by Owners and Tailors in Zanzibar .....	44
Table 4.8: Identification of Tax Payers in Term of their Gender.....	45
Table 4.9: Garments Made in and out of Zanzibar .....	46
Table 4.10: Challenges facing Owners and Tailors of Zanzibar.....	48
Table 4.11: Cross Tabulation of Challenges Against Job Creation .....	49
Table 4.12: Cross Tabulation of Challenges against Business Formation.....	50
Table 4.13: Encountered Weaknesses of Tailoring in Zanzibar .....	52

## **LIST OF FIGURES**

Figure 2.1: The Contribution of Tailoring Business in Zanzibar Economy .....	28
Figure 3.1: Map of Unguja Island showing the Study Area .....	35

## **LIST OF APPENDICES**

Appendix 1: Questionnaires for Giant Owners .....	79
Appendix 2: Questionnaire for Owners and Tailors .....	84
Appendix 3: Questionnaire for Customers .....	89

## LIST OF ABBREVIATIONS

AGOA	African Growth and Opportunity Act
AZIEA	Alliance for Zambia Informal Economy Association
BEST	Basic Education Statistics in Tanzania
CBOs	Community Based Organizations
CIS	Common Wealth of Independent States
Co	Company
CSR	Corporate Social Responsibility
CUZA	Cooperative Union of Zanzibar
EGS	Employment Guarantee Scheme
EPSZs	Export Processing Zone
EU	European Union
GDP	Growth Domestic Product
GVCs	Global Value Chain
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
ITMF	International Textile Manufacturers Federation
LMIC	Labour Market Information Centre
LTD	Limited
MBA	Master of Business Administration
MDG	Millennium Development Goals
MOFEA	Ministry of Finance and Economic Affairs

MSMEs	Micro, Small and Medium Enterprises
MSTC	Mwanza Sewing and Tailoring Centre
MVA	Market Value Adjustment
NGOs	Non-Government Organizations
OCGS	Office of Chief of Government Statistician
OUT	Open University of Tanzania
PADEP	Participatory Agricultural Development and Employment Programme
PAYE	Pay As You Earn
PRSPs	Poverty Reduction Strategy Papers
REPOA	Research on Poverty Alleviation
RGoZ	Revolutionary Government of Zanzibar
SIDO	Small Industries Development Organisation
SMEs	Small and Medium Enterprises
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
UDSM	University of Dar es Salaam
UNIDO	United Nation Industrial Development Organisation
URT	United Republic of Tanzania
VAT	Value Added Tax
WTO	World Trade Organisation
ZBS	Zanzibar Board of Standards
ZPRP	Zanzibar Poverty Reduction Plan
ZRB	Zanzibar Revenue Board



ZSB	Zanzibar Security Brigades
ZSGRP	Zanzibar Strategies for Growth and Reduction of Poverty
ZWITAD	Zimbabwe Women in Trade and Development.

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 Background of the Study**

Tailoring is among the entrepreneurial jobs which are considered as an important sector in the reduction of poverty. In Zanzibar, the contribution that tailoring sector might have is stipulated in cluster one of Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP). The Cluster one of ZSGRP has broad outcome to achieve high and sustainable pro-poor growth as stipulated in the Zanzibar Growth strategy. To attain this outcome, ZSGRP has set three goals, with several operational stages in each goal.

These goals are creating enabling environment for high and sustainable growth, promote proper and broad based on growth and reducing poverty and attain overall food security ZSGRP Annual Implementation Report 2007/08.

Tailoring is among the Small and Medium Sized Enterprises (SMEs), which is commonly practiced in Zanzibar. The researcher has not yet found exact number of tailors of Zanzibar because many of them are working in informal tailoring business sectors. Tailoring sector is associated with the economic activities where by people engage to seek solutions to society's problems.

Not necessary to leave social problems to the government due to the fact that responsibility and initiative for solving social problems are associated mainly with government. It is not possible for the government to provide everything, such as,

school uniforms because there are a lot of schools. It is believed that tailoring sector has distinct and valuable role to play in helping to create a strong and sustainable social economy.

IFAD has started taking measures to encourage the economic development of five African countries through tailoring sector. These countries include Burkina Faso, Senegal, Uganda, Zambia and Zimbabwe. (<http://www.ifad.org>). Zimbabwe Women in Trade and Development (ZWITAD) is one example that tailoring sector in Zimbabwe Government has been encouraged (<http://www.zimtrade.co.zw>).

The service of a tailor is always needed because every human needs to wear clothes. Thus, the rapid increase of population provides important opportunity of sustainability to Tailoring sector for example, in Zanzibar, the increase in number of students enrolled each year, increases the market opportunity to school uniform makers. This situation might lead to contribute the sustainable economic growth of Zanzibar.

The decision of wearing the school uniforms for all public school students of Zanzibar was made in 1974. During that period all school uniforms were provided by the Government and each school was given its separate sample of fabrics for uniforms. Even though, some of uniforms were the same in color, they were being given to the schools which were located in different districts of Zanzibar. In 1992, the Government allowed the Private Schools to be established in Zanzibar.

Following that establishment, the government decided to provide the same school uniforms for all public schools of Unguja and Pemba. However, the private schools

were not committed, even though the schools managements themselves they thought the importance to have their own school uniforms. The large number of pupils who are enrolled in schools and other potential institutions those its members are committed in wearing special uniforms, it become an opportunity to Zanzibar tailors.

## **1.2 Statement of the Research Problem**

There are several seasonal papers. Revisited Zanzibar Development Vision 2020 working document by Zanzibar Planning Commission, October 2011, Structural Adjustment Program of the early 1980s and World Social Summit for Development in 1995. The Government said that in spite of its efforts the growth of Zanzibar economy is still very low. We have a few numbers of medium and large enterprises which mean that many of the tailoring business still conduct fewer than one to four employees and not reach small stage of business owned.

Tailoring business has the important contribution to the Zanzibar economy in terms of creating many jobs and reduces unemployment which eventually results in to substantial the reduction of poverty in Zanzibar. In spite of that potential contribution but tailors and owners of the tailoring firms which conducted in Zanzibar were still suffering from insufficient incomes. Most tailors and owners of Zanzibar were conducted their businesses under the micro and small business levels which are required to reach the level of medium enterprises.

The problem is why every human needs clothes but the growth of tailoring industry in Zanzibar hadnot yet reached the optimal level? In response to this problem, the purpose of this study is to investigate several options on the contribution from

Tailoring industry into Zanzibar economy. Also if we consider less expensive way to mitigate some or all problems noted above such as a gap between small and large enterprises in Zanzibar.

### **1.3 Research Objectives**

The study associated all possible facts that reflect on the specified problem that is mention in page five.

#### **1.3.1 General Research Objective**

The general objective of this study intended to analyze the contribution of tailoring business in Zanzibar economy.

#### **1.3.2 Specific Research Objectives**

- (i) To identify the different forms of tailoring industry in Zanzibar.
- (ii) To assess how tailoring business create jobs so as to reduce poverty in Zanzibar.
- (iii) To find out whether the tailoring industry pay tax as a contribution to Zanzibar economy.
- (iv) To analyse the challenges facing tailoring business in Zanzibar.

### **1.4 Research Questions**

The research questions were based on the research objectives stated earlier

#### **1.4.1 General Research Question**

How does the tailoring business contribute to Zanzibar economy?

### **1.4.2 Specific Research Questions**

The study sought to answer the following specific research questions.

- (i) What are the forms of tailoring industry in Zanzibar?
- (ii) How does tailoring business contribute to the creation of jobs in Zanzibar?
- (iii) Do tailors and owners pay taxes so as to contribute to the Zanzibar economy?
- (iv) What are the challenges facing tailoring business in Zanzibar?

### **1.5 Significance of the Study**

The results of study were demonstrated to the self-employment on helping the Government on social problems of unemployment. The results of this study are useful to the Tailors and Owners of the tailoring, and the government institutions responsible for providing financial support. In that they can now build trust to direct some of their loans to empower the tailoring sector. Government, Policy Market, Universities, Colleges, Cooperative Unions, Entrepreneurs and Planners are used as a linkage that used to develop new support system as an incubator on tailoring business particularly in Zanzibar.

### **1.6 Scope of the Study**

This study focused on factors contributing to the success and challenges of tailoring business in Zanzibar economy. The study also focused on how the tailoring sector contributes to the Zanzibar economy. Basically this study based in Urban West Region of Zanzibar. That region is comprised of two districts, namely the Urban and the West districts.

## **1.7 Organization of the Study**

Chapter one covers the introduction which involves background of the problem, statement of the problem, research objectives, research questions, scope of the study and organization of the study.

Chapter two covers literature review which contains introduction, conceptual definitions, theoretical literature review, empirical literature review, research gap, and conceptual framework.

Chapter three covers research methodology which involves introduction, research, design, area of the research, population of the study, sampling procedure, data collection tools, reliability and validity of the data and data analysis.

Chapter four include methodology that was used to conduct the study. Chapter five covers summary, conclusion and recommendations.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 Introduction**

This section focuses on secondary data associated with the subject matter which describes how tailoring business sector contributes to the Zanzibar economy. The section starts by defining the concepts, theoretical or critical reviews, empirical analysis of the relevant study, research gap, analytical, theoretical framework, and summary.

#### **2.2 Conceptual Definitions**

The following are definition of key words which appears in this research

##### **2.2.1 Tailoring Business**

Tailoring refers to the business process of making men's clothes with used of technical, skills and styles or the way of design and make of suits, jackets etc for an individuals and society customer of a particular area, (Oxford Advanced Learner's Dictionary).

Tailoring is a diverse crafting profession which allows one to use various cloths and tailoring equipment to craft armour, bags, suits and carpets. It is normally loved by cloth-wearing classes and clothesline models. (<http://www.ask.com>).

##### **2.2.2 Profit**

It is the return to an owner of capital goods or natural resources in any productive pursuit involving labour, or a return on bonds and money invested in capital markets (Richard, 1975).



### **2.2.3 Contribution**

Contribution is something given to a common stock or fund; a sum of money or item voluntarily contributed. A defined contribution plan is a type of retirement plan in which the employer, employee or both make contributions on a regular basis. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts (through employer contributions and, if applicable, employee contributions) plus any investment earnings on the money in the account.

The most common type of defined contribution plan is a savings and thrift plan. Under this type of plan, the employee contributes a predetermined portion of his or her earnings (usually pretax) to an individual account, all or part of which is matched by the employer. In the United States defined contribution plan is defined as a plan which provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant's account (<http://en.wikipedia.org>).

### **2.2.4 Economy**

An economy or economic system consists of the production, distribution or trade, and consumption of limited goods and services by different agents in a given geographical location. The economic agents can be individuals, businesses organizations, or governments. Transactions occur when two parties agree to the value or price of the transacted good or service, commonly expressed in a certain currency (Adam *et al.* 1976).

## **2.3 Theoretical Literature Review**

Theoretical Literature review is a part that guides the research that reflects on the formal theories.

### **2.3.1 Economic Theory**

Classical economists see contribution on economy as the outcome of the sector adjusted to the optimum or most profitable size. In line with the profit maximization assumption of traditional economists, expansion and contribution of tailoring business will be growing until the marginal revenue from an increase equal longterm marginal cost. Whether the firm continues to growth will depend on the sector capacity to seek and adjust to bigger size classical economic, resources based and production oriented theories and describe at this perspective (Penrose, 1959).

The essential theme, economics is a policy science and, as such, the contribution of economic theory to economics should be measured on how well economic theory contributes to the understanding and conduct of economic policy. In many cases we are forced to use theory because the data that we need are not available. Economic theory is useful since you can use it to compute answers to problems.

They aren't always the right answers that depends on whether the model you have is right. Experimental economics has been one of the great success stories of the last 20 years. One has to understand the role of economic theory's contribution to policy analysis. The fact that economics is fundamentally a policy science allows one to explain many aspects of economic theory that are quite mysterious (Varian, 1989).

The Traditional Keynesian model comprises of the Aggregate Demand and Aggregate Supply curves, which aptly illustrates the inflation growth relationship. According to this model, in the short run, the curve is upward sloping rather than vertical, which is its critical feature. If the curve is vertical, changes on the demand side of the economy affect only prices. However, if it is upward sloping, changes affect both prices and output (Vikeshet al, 2004).

### **2.3.2 The Theories of Employment**

The classical economists explained unemployment partial equilibrium supply and demand analysis. According to them, employment results when there is an excess supply of labour at a particular higher wages level. By accepting lower wages, the unemployed workers will go back to their jobs and the equilibrium between demand for labour and supply of labour will be established in the labour market in the long period. This equilibrium in the economy is always associated with full employment level.

According to classical economists, unemployment results when the wage level of the workers is above the equilibrium wage level and as a result the quantity of labour supplied is higher than quantity of labour demanded. The difference between two (supply and demand) is unemployment. Keynes suggested that in the short period, the government aggregate demand in the economy through public investment programme reduce unemployment (Keynes, 1937).

Arbab et al (2008) Both raw intuition and past experience suggest that the success of an employment guarantee Scheme in safeguarding the welfare of the poor depends

both on the wage it promises, and the ease with which any worker can gain access. An EGS is thus at once a wage guarantee and a rationing device. We chart the positive and normative limits of such an EGS as an efficiency improving and poverty alleviating policy reform in a canonical labour market setting. At its core, an EGS provides an aggregate, not just EGS, employment target.

Given the target, the EGS wage and access can be fine-tuned to deliver outcomes ranging from a contestable labour market to a simple universal unemployment benefit. The credibility of any such target, however, is shown to be triggered endogenously by a host of factors: the distributional concerns of the planner, private sector productivity, the prevalence of market power and the need for public works. Paradoxically, the outcome with a planner who cares only about efficiency can be less efficient than the outcome with a planner whose social welfare function also gives weight to poverty.

### **2.3.3 Job Creation and Job Destruction in the Theory of Unemployment**

Mortensen (1993) Job creation depends on the information available on potential employers. In empirical work two sources of new jobs are usually given, existing firms and new entrants. Most new job creation over the cycle is by existing firms. Each firm has one job that can be in one of two states, filled and producing or vacant and searching. Jobs that are not actively producing or searching are destroyed

Kennedy (1968) Economic growth is an increase in the production and consumption of goods and services, and is indicated by increasing Gross Domestic Product (GDP). GDP, therefore, has become the standard measure of economic progress, even

though it was only intended as a macroeconomic accounting tool. Prompted by Wall Street, the Federal Reserve System, and the media, citizens generally applaud increases in GDP.

The problem with GDP is that it doesn't separate costs from benefits. It simply adds them together under the heading of economic activity. At the individual level, economic activity is required for wellbeing, but the relationship becomes very weak after a surprisingly low per capita GDP is achieved.

#### **2.3.4 The Theory of Taxation**

Gregory et al (2007), Frank Ramsey states that the standard theory of optimal taxation posits that a tax system should be chosen to maximize a social welfare function subject to a set of constraints. The literature on optimal Taxation typically treats the social planner as a utilitarian: that is, the social welfare function is based on the utilities of individuals in the society. In its most general analyses, this literature uses a social welfare function that is a nonlinear function of individual utilities.

Nonlinearity allows for a social planner who prefers, for example, more equal distributions of utility. However, some studies in this literature assume that the social planner cares solely about average utility, implying a social welfare function that is linear in individual utilities and regulation.

However, from the standpoint of the optimal taxation literature, in which the goal is to derive the best tax system, it is obviously problematic to rule out some conceivable tax systems by assumption. Frank suggested one line of attack: suppose

the planner must raise a given amount of tax revenue through taxes on commodities only. Ramsey showed that such taxes should be imposed in inverse proportion to the representative consumer's elasticity of demand for the good, so that commodities which experience inelastic demand are taxed more heavily. Ramsey's efforts have had a profound impact on tax theory as well as other fields such as public goods pricing and regulation.

Mwanyika (2006) in the revised act of the Value Added Tax 2006 in Tanzania says business includes any form of trade or commercial activities. Tax means value added tax imposed by the tax act, also expressed that a taxable person is that who is registered or required to be registered under the provision of a tax act and taxable supplies are those have assigned under a tax act which applies for only supplies and doesn't exempt supplies.

The taxable value is the value of a supply as determined in accordance with Authority Act, hence VAT means the Value Added Tax imposed by the Act. Scope of VAT is that, VAT shall be charged on any supply of goods or services in Mainland Tanzania where it is a taxable supply made by a taxable person in the course of or in furtherance of any business carried on by him and on a taxable supply of goods or services shall be payable by a taxable person at the end of a prescribed accounting period or at any time which the Commissioner may prescribe.

It is also on the importation of taxable goods or services from any place outside Mainland Tanzania shall be charged and payable in accordance with the Act and the procedures applicable under the Customs Laws for imported goods shall apply

in respect of VAT imports. Rate of VAT shall be charged at the rate of twenty (20) per centum of the taxable value.

Where a taxable person supplies goods or services and the supply is zero-rated no VAT shall be charged on the supply, but it shall in all other respects be treated as a taxable supply. The Exemptions can be offered at the condition that a supply of goods or services is an exempt supply if it is of a description specified in the Act applied by the authority that is TRA. The VAT is not chargeable on an exempt supply, and deduction or credit of input tax is not allowable on purchases made in respect of the exempt supply.

## **2.4 Empirical Analysis**

The present empirical analysis is related to the study of the subject matter which is the contribution of tailoring business in Zanzibar economy. The empirical analysis were categorized in to three levels namely study in the world, study in Africa and study in Tanzania. This presents the empirical analysis of relevant studies on the scope which contribute to the tailoring business in Zanzibar economy.

The following are documented in various studies: Tailoring is one among the entrepreneurial jobs which is considered as an important sector on SMEs that contributed in the economy. In many African countries, tailoring business based on informal sector. A recent study of Tanzania informal sector found that economic activity by majority of Tanzania take places outside the legal framework. For example 98% of 1,482,000 business units were found to be extra legal. Rutashobya, UDSM (1999) "African Entrepreneurship & Small Business Development".

### **2.4.1 Studies in the World**

Education, vocational training and lifelong learning are central pillars of employability, employment of workers and sustainable enterprise development within the Decent Work Agenda, and thus contribute to achieving the Millennium Development Goals to reduce poverty. Skills development is a key in stimulating a sustainable development process and can make a contribution to facilitating the transition from the informal to the formal economy. Skills development is also essential to address the opportunities and challenges to meet new demands of changing economies and new technologies in the context of globalization. The principles and values of decent work provide guidance for the design and delivery of skills development and are an effective way of efficiently managing socially just transitions (Kawar 2011).

Tailoring industries are important in economic and social terms, in the short-run by providing incomes, jobs, especially for women, and foreign currency receipts and in the long-run by providing countries the opportunity for sustained economic development in those countries with appropriate policies and institutions to enhance the dynamic effects of Textile and Clothing.

The potential of the tailoring industries to contribute to long-run growth and development will depend not only on the attributes (desirable or otherwise) of the investors, but also on the quality and effectiveness of government policies and institutions in developing countries to build on this investment. The Textile and Clothing industries are very important for a handful of countries, in terms of trade, GDP and employment and have contributed significantly in several other countries.



The Textile and Clothing industries provide opportunities for export diversification and expansion of manufactured exports for low-income countries that can exploit their labour cost advantages and fill emerging niches and meet buyer demands. There are also dynamic effects of Textile and Clothing industries and these dynamic effects are greater, the more linkages have been built up between the garment industry and local textile suppliers.

In 2001, the US awarded Cambodia trade preferences in return for demonstrated improvement in factory conditions: with the assistance of the ILO provided in meeting these improvements. Although the quota system expired in 2005, employment levels have been maintained, volumes of exports to the US are increasing and factories are expanding.

The ILO (2005) suggests this is because the project's success in implementing world class information and independent monitoring systems which is considered as transparent and credible to international buyers: Cambodia is now considered to have a comparative advantage in labour standards: good working conditions are a major factor in buyers sourcing decisions helping retailers to meet their CSR objectives and avoid negative publicity and Cambodia is the preferable source compared to Vietnam, Bangladesh, Thailand and China.

Almost 80% of buyers considered the continued monitoring of labour standards to determining Cambodia's competitiveness in Textile and Clothing export. The reduced workplace accidents, improved productivity, product quality, lower worker turnover and less absenteeism all benefit are all good reasons for buyers to continue their

sourcing strategies based in Cambodia. A niche market based on respect for labour standards has been developed (The ILO,2005).

Nordas (2004), says thatthere are important social aspects of the Textile and Clothing industries (apart from the jobs provided). While wages in developing countries in some assembly activities will be lower than wages in developed countries in downstream activities in the same clothing value chain, this misses the point for two reasons. Firstly, without appropriate policies and institutions, developing counties often do not have the skills to enter into higher value added activities such as design and marketing and hence will not be able to command a similar wage as in headquarter firms in developed countries.

We find that textile wages are higher than garment assembly wages, and the latter activities are more prevalent in poorer developing countries Secondly, a better comparator is what workers would otherwise have earned had there been no tailoringindustries, e.g. in other domestic industries (e.g. Tailoring activities offer women better employment opportunities than they would have had in the rural area, and pay twice the rate of domestic servants in Bangladesh).

Comparing on wages, while tailoring activities are not amongst the best paid jobs, they are certainly not the worst even amongst manufacturing activities, let aloneagriculture activities. But it would be better to compare on access to employment, as the alternative for women in (urban) garment assembly firms in Bangladesh and Cambodia is seeking employment in rural areas which is dominated by men andwhere gender inequalities are higher.

The WTO Textile and Clothing plays a major role in the development and industrialization process of countries and their integration into the world economy. It notes that in 2004, developing countries as a group (low and middle income countries) accounted for more than half of all world exports of textiles and clothing and that in no other category of manufactured goods do developing countries enjoy such a large net-exporting position.

Jodie (2008) saw without achieving and sustaining learning by doing and national knowledge spillover's, developing countries and producers may not be able to capture all benefits. As we will argue later, developing country governments have a role to play in formulating industrial policy to ensure that the potential benefits which may accrue from Textile and Clothing export production are harnessed in such a way so as to result in positive learning spillover's for the wider economy.

Increasing the skill level of labour should translate into higher productivity effects and value added in order to maintain competitiveness at the initial stages of development and move onto other activities. Learning effects within the economy are cumulative and can work across sectors.

Brenton *et al.* (2007), state that the climate in which low income countries can drive development from a manufacturing base created by the Textile and Clothing sector is now framed by the presence of extremely large supplying countries in the global market. While start-up costs are comparatively small and scale economies are not important which favours production in locations where labour costs are low, there are some important changes in the nature of the global market for clothing that may

condition the role that, for reasons such as the relatively low levels of capital employed and low skill of labour. Textile and Clothing production is often one of the first step onto the industrialization ladder and into global production networks.

#### **2.4.2 Studies in Africa**

In total, there is nothing at all between what happened in Africa and other parts of the world. Because they all includes labour intensive techniques on Tailoring business and family ownership as well as skills acquired outside formal school. The following are the list popular researchers in Africa.

Cling (2007) note that since 2005 the average wages for labours working within the Zone France have become lower than in the formal industrial sector. Although all other things being equal labour standards are higher than average they are being progressively reduced in a context of increased international competition. Comparison of wages in the formal industrial sector shows that the average income gap widens particularly as regards hourly wages to the detriment of employees.

Hourly wages excluding bonuses posted a 40% difference in 2006 that is twice as much as in 1995 (though they were similar in both sectors in 1996). Zone French employees are more likely to receive pay slips, are covered by written contracts and are paid on a fixed basis; employees enjoy significantly better benefits in this respect. There is also less gender discrimination. Core labour standards are showing and insure the confidence in textile and clothing. According to IMF (2008), the liberalisation of Zambia's economy mandated by the IMF and World Bank has led to

an increase in unemployment and deepening poverty. This summer War on Want visited workers in Zambia's informal economy to find out how they are coping in the aftermath of failed market reforms.

Between the mid-1980s and early 1990s, Zambia introduced free market economic policies to meet the loan conditions imposed by the International Monetary Fund (IMF) and the World Bank. During a visit in August 2008, War on Want met with many informal workers to see how they were faring. Market vendors told us how their businesses have been undermined by the influx of cheap clothing imports from China. Matthews Nkhoma, a tailor in Lubarma market in Lusaka, Zambia's capital, outlined the problems faced by small businesses: "We are facing a very big challenge with the so-called 'investors'.

Instead of bringing raw materials that could be inputs for our own manufacturing industries, they bring finished goods which they sell at a cheaper price. As tailors in the market, we cannot compete with the cheap clothes that they provide. Our machinery is not adequate and it makes our clothes look poorly finished by comparison. We have really lost out because of foreign investors.

Omondi (2001) point out that, Kenya, which acceded with AGOA provisions in January of 2001, is seizing the opportunity to rebuild and firmly establish its textile industry. The government established Export Processing Zones (EPZs), which have the potential to create thousands of jobs, in order to commit the nation to extract maximum advantage from AGOA. In 2001 Kenya earned over \$70 million from textile exports to the U.S., an astonishing 200 percent increase over its revenue in

2000. Thirty-nine enterprises were operating in the 23 current zones at the end of 2001, and 3 new EPZs are being added. Thus far, direct employment has risen significantly from 6,500 jobs in 2,000 to 13,400 jobs.

Nicholas Biwott, Kenya's Trade and Industry Minister, asserts that the increased export earnings from textile products over the past two years have meaningfully benefited the economy: "the garment factories that were closed down have been re-opened, six new ones established, and eighteen others are in the process of opening." He submitted that as of April 2002, AGOA is directly responsible for the creation of 30,000 jobs; furthermore, he expects the figure to double towards end of this year with the opening of several factories currently under construction (Omondi, 2002).

The major export market for Kenyan textiles and garments is the US market. Kenya's exports of textiles and garments to the US under the AGOA framework have increased from Ksh 3.4 billion (US \$ 45 million) in 2000 to Ksh 20.8 billion (US \$ 277 million) in 2004. Exports of textiles and garments to the European Union (EU) have been significantly below a billion shillings (Ksh 0.13 billion or US \$ 1.7 million) since the year 2000. The value of the exports of textiles and garments to the EU has declined from US \$ 1.7 million in 2000 to US \$ 1.4 million in 2003 (Omolo, 2006).

Andy et al (2004) argues that the textile and apparel industry in Botswana is an ideal formal employment entry point for the poor. This industry can also absorb relatively

large numbers of employees where they can make an economic contribution and earn a cash wages even if they are not particularly well educated or literate.

Currently 24,000 workers are estimate to be employed in the manufacturing sectors of the economy. Of these more than 8,500 or 35.4% are currently employed in the textile and apparel subsector. Botswana is fortunate in that it has preferential access to several important markets for garment and textile products.

Peter (2006) found that Ghana's textile industry is mainly concerned with the production of fabrics for use by the garment industry and also for the export market. The sub-sector is pre dominantly cotton-based although the production of man-made fibres is also undertaken on a small scale. The main cotton-based textile products include: African prints (wax, java, fancy, bed sheets, and school uniforms) and household fabrics (curtain materials, kitchen napkins, diapers and towels). These products form the core of the sub-sector.

The main products of the man-made fibers (synthetics) and their blends include: uniforms, knitted blouses, socks etc. These are mainly made from polyester, acryl and other synthetics. There are also a number of small firms which hand-print their own designs onto bleached cotton fabrics, also known as tie and dye or batik cloth. Also, traditional or indigenous textiles such as Kente cloth (traditional woven fabric), Adinkra cloth (traditionalhand printed fabric) and other types of woven fabrics used for various purposes such as smock making etc. are proposed.

### 2.4.3 Studies in Tanzania

Olomi (2009) evidenced, the most of business in developing countries, including Tanzania, is established out of economic necessity. The founders can quit their jobs and start doing their own business those hopefully will generate more income or set up a business on a part time basis to supplement the salaried income. The transition from no or low growth to high growth aspirations reflects a change from traditional business to entrepreneurship and highly desirable.

MSTC (2007) argues that the Government must help with the development of the tailoring sector amongst the poorest section of both rural and urban areas of the Region of Tanzania. Some of says as follows: “With one machine I was capable of rising 30,000/- T shs. I am now capable of rising up to 150,000/-Tshs per month as a result of more work I do from the added machine that I got the SIDO. This situation makes my in the household more important.” Female tailor(34 years-old) Shinyanga. “Although I have been a tailor for quite some time, I could not know how to make suits but when I got the trainings on dress designing from SIDO-MSTC I started to make suits. Many people are now coming to me for suits. This has really impressed me and helped to improve my income” Female tailor(35 years old) Kwimba District. “After realizing that the SIDO-MSTC machines were sold at cheaper price, I decided to have two. This has really helped my income and able to buy a plot of land on which I have already started to build a house”. Male tailor (46 years-old) Kahama.

O’riodan(1997) argues that Tailoring, Small Salons and Related Activities accounted for less than quarter of business. Women in these businesses commonly expressed a



more long term interest in expanding their activities to include tailoring, salon and sale of accessories. Current location ranged from rented rooms to entered pavementsites. They often trained informally with older women, sitting with them and learning their trade, before starting their own business.

A few (11%) had attended formal training course courses, mostly in tailoring Cotton production and related downstream manufacturing industry plays a crucial role in Tanzania's economy. Nearly 500,000 Tanzanian smallholder farmers are involved in the production of cotton<sup>1</sup>, and it is estimated that the crop contributes to the livelihoods of up to 40% of the population, or 16 million people. Yields, at 562 kg per hectare, are very low by international standards and the seed cotton bought by the ginner is often of poor quality and or badly contaminated.

Andy (2011) recognisethat most countries in Africa, the bulk of Tanzania's cotton production (in excess of 70%) is exported as lint; a key concern of the government at present. Indeed, textile and garment manufacturing is one of the key sectors outlined in the national government's Integrated Industrial Development Strategy.

Testament to its status as a highly labour-intensive industry which can incorporate value added yields of between 500% and 600% in its value chain. Tanzania's garment industry is currently very limited in terms of size and products offered. Most of the industry is oriented towards export markets, and principally shipped to the US, taking advantage of the trade preferences offered by AGOA.

There is currently a small local and regional market for Tanzania's garments, which is limited to promotional clothing and caps. The Small Industries Development Organization, established in 1973, is another parastatal body currently

operating. SIDO's overall development objective is to contribute to poverty eradication and the development of SMEs, by creating and sustaining "indigenous entrepreneurial base through the promotion and support of SME's by providing them with Business Development Services and Specific Financial Services.

SIDO gives priority to productive economic sectors that contribute to wealth creation, including the textile sector, and more specifically the hand-, power-loom and the garment-manufacturing sector.

Sam Maghimbi (2010) found that the number of people directly employed by cooperatives appears to have declined since the 1990s, as many strong cooperatives have dissolved. Unions and the apex organizations used to employ permanent staff, but this ceased in the 1990s.

Primary cooperatives, such as Jembe, used to employ permanent salaried staff in the 1980s and 1990s. Currently nearly all cooperatives that employ labour (i.e. non members) use temporary contracts and only provide allowances ("posho"). For example, Miamboni Primary cooperative Society pays allowances for its shop attendants that work on a six months cycle in its cooperative shop.

This cooperative shares profit to members often. A sizeable number of people (in the tens of thousands) depend on cooperative activities for their (self) employment. A portion of these people would not have been able to carry out their current economic activities without the support of their primary cooperatives. Income for members of the more successful primary cooperatives is high and is above the income of their neighbours who are non-members.

Cooperatives have also enabled members to attract some capital from programmers such as PADEP. For example, in the Tuwezani Primary Cooperative Society – a banana growing cooperative that started in 2006, each member was able to raise TZS 100,000/= by PADEP. The money was put in the cooperative's bank account and given to the members for their banana growing businesses.

The members have benefited and have produced profitable harvests. This cooperative has also made the provision of extension services by the Ministry of Agriculture accessible and regular, as the twenty members can receive extension services more easily than separate individuals. In order to increase income, this primary cooperative had plans to build dormitories to be rented out to students of Zanzibar University. Members of the cooperative have land and certificates of occupancy (title deeds) to support this activity.

Toward the end of 2008 they approached CUZA to help them write the proposal, but so far they have not received any technical support or advice from the apex body. The poor peasants that are members of Uchumi Imara Primary Cooperative Society receive comparatively good income from banana and cassava sales. As mentioned earlier, they have shared money from banana sales eight times and each member has received TZS 100,000/= each time.

This cooperative was only registered in 2008 and it started with only eight people and now they are 20. Jambonia Primary cooperative Society has also increased the

income of members and are able to pay the monthly rent for a building that house the cooperative (TZS 50,000/= per month). They have shared profit many times and each time member received between TZS 30,000/= or TZS 40,000/= each.(ILO-Coop AFRICA Working Paper No.17-Cooperatives in Zanzibar: Decline and renaissance).

## **2.5 Research Gap**

The Study conducted on tailors, owners and customers in order to determine how tailoring business contribute on personal incomes as well as in Zanzibar economy. There are few studies which had been attempted to find out how tailoring industry contribute to Zanzibar economy but it was not measured specifically. It was just gathering with other industries for the reasons that they have had similar level of incomes or variables. Two examples of researches which were conducted in Zanzibar, one is done by ILO 'Coop AFRICA Working paper no.17, the study has been stated about Cooperative in Zanzibar: Decline and Renaissance.

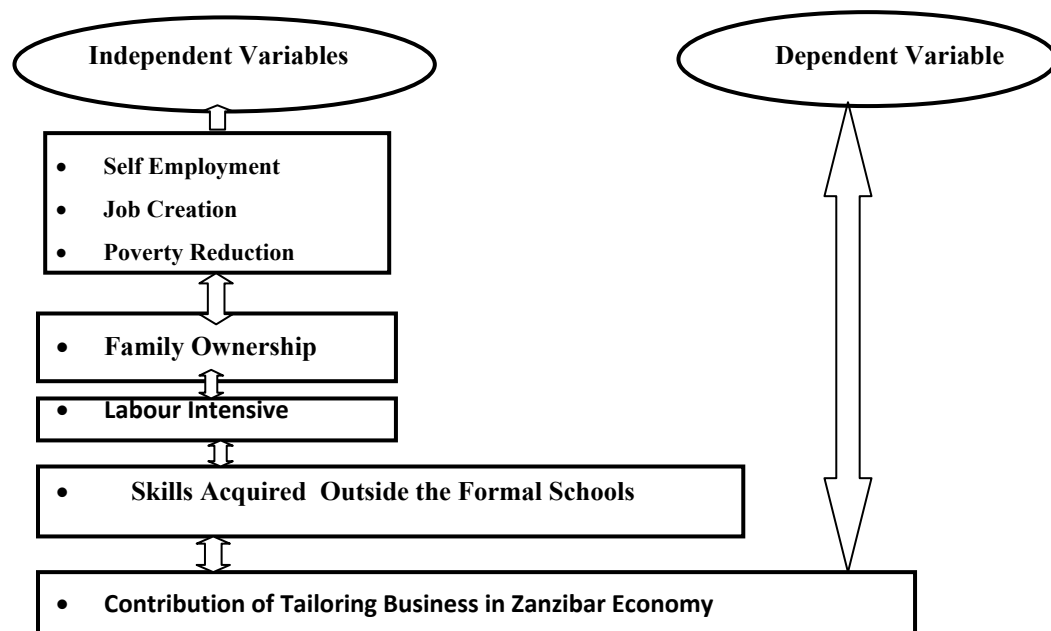
Coop AFRICA contributes to improving the governance, efficiency and performance of primary cooperatives, other economy organizations and their higher level structures. In order to strengthen their capacity to access markets, create jobs, generate income, reduce poverty, provide social protection and give their members a voice representation in society through the baseline study which provided the data from various people and organizations especially from the cooperatives whereby such study in Zanzibar "Express Tailoring Cooperative Society" is included. (Maghimbi, 2010).

Another example is a research report No. 97, "Educational background, training and their influence on female – operated informal sector enterprises, Research on poverty

alleviation.(O'Riordan *et al.*, 1997).This study arose due to the increasing role that women are playing in petty trade what is general termed the informal sector that investigated the relationship that exist between women's level of education and training, the sustainability of their informal sector enterprises.

The examples gather with other industries rather than tailoring for the reason they have similar levels of income or other variables that clearly showing the research gap. This study was going to conduct in specific as a whole analyzing the contribution of tailoring business in Zanzibar economy. Tailoring is enough to be researched as a specific business because it has very wide range as it noted in chapter one that the services of tailor is always needed because every human need to wear clothes.

## 2.6 Conceptual Framework



**Figure 2.1: The Contribution of Tailoring Business in Zanzibar Economy**

Source: Researcher (2013)

## **2.7 Theoretical Framework**

The model shows independent and dependent variables of the study. Therefore the model are the backbone of the Tailoring business activities are characterized by easy of entry and exist, reliance on indigenous resources and markets family ownerships, small scale operations, skills acquired outside the formal school system, operational out the mainstream business regulation and competitive markets and the use of labour intensive and adopted technology.

The tailoring business and formal economies are interrelated large formal wholesalers are key suppliers to informal businesses in some economies, large cooperations rely on informal producer to supply them with some products at price below market rates, some large business conglomerates have formed special units to coordinate and foster business relations with informal economy business enterprises.

While most of tailoring business do little more than subsist a sub-group exists that is relatively dynamic with an opportunity driven mindset, a features oriented outlook and higher level of business complexity (mainly due skill related training). Self employment is situation in which an individual works for himself or herself instead of working for an employer that pays a salary or a wage. A self-employed individual earns their income through conducting profitable operations from a trade or business that they operate directly.

Schumpeter (1934) saw employment is equal to entrepreneurship as an innovative process of change, where by new products, or new combinations or process

are created through 'creative destruction' this interferes with established procedures and reallocate resources in different, more productive ways. He identified for motive for entrepreneurial behaviour, the dream and will to found a private kingdom through commercial or industrial estate, the will to concur, the impulse to fight, to prove oneself superior to others, to succeed, not for the fruits of success itself and the joy of creating, of getting things done or simply of exerting one's energy and ingenuity.

These ideas lead to real innovation. The kinds of innovation that change and employ the world eventually. Entrepreneurs and government act socially responsible every time they employ someone. They are dependent on each other to be in balance. Too much influence of either side is detrimental and will cause the system to stall and spin in a tethering, out of control way, until properly realigned.

The Government can stimulate job creation when it invests in projects that improve or create new services. These activities could include releasing contracts to the private sector for infrastructure, defence, engineering, justice, etc. Other ways that the government creates jobs is by issuing special grants for privately run programs. These are often for special studies and research.

Grant receivers do employ people. However these grants are often connected to special favours called earmarks. These seemingly good gestures destroy independent innovation that is developed by unconnected science communities and can cause discouragement to innovate by others.

This is the easiest Job Creation method because the government seems to have an endless supply of tax payer's money/credit and Congress feels no pain in their own wallets. A change to monetary policies, tax incentives and changes in regulation effects employment. The government needs tax revenues and walks a fine line trying to measure the complicated causal effects of their actions.

Good intentions can stray an economy as the actors in the theatre of the economy react to a multitude of conditions at once. These rules and regulations are what established businesses love or hate. The more often there are major changes to tax structure and regulation, the more often there are major movements in rates of employment, either job creation or job destruction. Too many changes can hurt an economy and too little can damage an economy. Again, it is a balancing act that is becoming more and more difficult with the existence of special interest lobbyists, non-profit Political Action Committees with noble concerns over social issues and the environment.

Job creation can occur when the unemployed become ambitious and start their own business in easy entry industries and markets. This is usually accomplished when an unemployed person turns into an entrepreneur and goes into business to compete in the industry they were familiar with for many years.

These new businesses' create jobs simply by innovating and implementing the ideas that were ignored when they were employed. Most small businesses that begin come to the rude awakening that "it's not that easy" but survivors tend to change entire industries that were stuck in operating the "same old way" for years.



This also leads to lower prices, stable wages, higher revenues and growth for services in that industry. It innovates, creates, invents, and invests. The most difficult but the most effective way to create long-term employment is to create new industries. It truly is the hardest way but the best way to continually grow an economy that can support its citizens with employment. (The Foundation for Job Creation, 2013).

Poverty reduction can be effective if a country or individual create or innovate including the machinery and methods in agriculture, improving the employment and income possibilities of the wealth, creation sectors and making sure those local Communities can share in the wealth that is created and creating more effective safety nets to help vulnerable people.

Tailoring industry can be one of the way to contribute both personal income as well as Zanzibar economic growth because it can increase employment (labour intensive) while it need no large capital and skills acquired outside the formal school with less cost on the business can be owned in family levels (Researcher, 2013).

## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes how the study carried out towards collection, analysis and presentation. The chapter also provided an assurance that appropriate procedures were deployed by concentrated several sub topics like philosophy, study areas, research design, approaches, sample, sampling procedure, sample size, strategies, time horizons, data collection methods, data processing and analysis in order to identify the contribution of tailoring business in Zanzibar economy. The research designed basically was chosen purposely targeting specific study and it gave details on the types of data collected and the techniques that were used in data collections

#### **3.2 Research Design**

This study therefore focused on descriptive, qualitative and quantitative approach to reasonable substantial results from all points of view. Qualitative techniques were concentrated to learn mind set and belief on the contribution of tailoring business in

Zanzibar economy within people who engaged on it while quantitative techniques were concerned on quantifying variations in response among Owners, Customers and Tailors.

Data for quantitative nature were collected using structure individual questionnaires administered to various groups especially owners, customers and tailors made. Qualitative data were obtained through personal interviews and questionnaires.

### **3.3 Area of the Research**

The study area was the Urban West Region of Zanzibar which comprised of two districts which had contain 84 Local Community Administrations (“Shehias”), where by Urban district has 45 and West district has 39 ‘shehias’. Tailoring business is being operated across the Islands but it just concentrated at Urban West Region only.

This business is being raised by more than formal employers who make the operation. The rests of 251 shehia of Zanzibar tailoring business almost are resemble, also the common tailoring workshops, special uniform marts, both individual and groups tailors are most found in Urban West Region. Therefore, there was no need to cover all Zanzibar Regions. This study gave a clear pictures to the rest areas because they have similar results due to the facts that they struggling at the same challenges.



**Figure 3.1: Map of Unguja Island showing the Study Area (in red colour)**

Source: Ministry of Agriculture and Natural Resources-Zanzibar (2012)

### **3.4 Population of the Study**

Three groups of respondents were studied. The first group was tailors, and other groups were owners and customers.

**Table 3.1: Population of the Study**

Category	Study Population	Percentages
Tailors	80	80
Customers	10	10
Owners	10	10
Total number of respondents	100	100

Source: Researcher (2013)

### **3.5 Sampling Procedures and Size**

Sample size of 50 out of 100 respondents used to represent all population of Urban West Region of Zanzibar.

**Table 3.2:Sample Size**

<b>Category</b>	<b>Study Population</b>	<b>Ratio</b>	<b>Sample</b>
Tailors	80	0.5	40
Customers	10	0.5	5
Owners	10	0.5	5
<b>Total</b>	<b>100</b>	<b>0.5</b>	<b>50</b>

Source: Researcher (2013)

The reasons of the sample size to half of the total population were the similar due to the facts that all people have common environment, similar income level, something that reflectson Zanzibar tailors and owners of tailoring.

### **3.6 Methods of Data Collection**

Datainformation addressed to the research problem (chapter one). Qualitative and quantitative approacheswere used to collect secondary and primary data. The methods included reviews, social survey and documentary.

### **3.7 Data Collection Tools**

Qualitative techniques were concentrated to learn mind set and belief on the contribution of tailoring business in Zanzibar economy within people who are engaged on it while quantitative techniques concerned on quantifying variations in response among owners, customers and tailor.

Data for quantitative nature were collected using structure individual questionnaires administered to various groups especially owners, customers and tailor made. Qualitative obtained through personal interviews and questionnaires.

Questionnaires were formulated in consequence from one person to another throughout the study which categorized of three appendices which conducted as follows; appendix one filled by giant owners, appendix two answered by owners and tailors and appendix three were for customers during the study process. Giant owners were interviewed due to the facts that they only fill documents and registered as formal to the respective authorities within Zanzibar.

### **3.8 Reliability and Validity of Data**

The study conducted pilot study to test the reliability and validity of data.

#### **3.8.1 Reliability of Data**

Data were collected from the real respondents including owners, tailors and various customers. On the collection of data respondent were free to fill the questionnaires so that the information obtained from questionnaires is free from bias and researcher influence and thus accurate and valid data was gathered. According to Roland et al. (2003) reliability of data refers to the degree of agreement between sets of observational data collected independently from the same scene by two different observers (inter observer agreement) or by the same observer at different times in the data collection process (intro observer agreement).

### **3.8.2 Validity of Data**

Validity was ensured by recording all information's as evidence that the data were not cooked by the researcher. All filled questionnaires were named with mobile phone numbers of respondents and were being kept for any further requirements during the period of conducting research up to the representation period. The primary data collected from respondents by using self administered questionnaires. The questionnaires were issued to the total of 100 respondents and later picked up 50 questionnaires for analysis.

Joppe (2000) provides the following explanation of what validity is in quantitative research: Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit "the bull's eye" Researchers generally determine validity by asking a series of questions, and will often look for the answers in the research of others.

### **3.9 Variables and Measurement Procedures**

The study focused on identifying the contribution of tailoring business on Zanzibar economy. The information gathered from tailors and owners of tailoring firms. The main inspection was to obtain some information on the taxes collection from the owners and tailors by determining PAYE and VAT techniques. Variables such as skills on running the business, Government influences business control, management of the business competition, experience in the sector and trust among the parties where used to determine their contributions.

### **3.10 Data Processing and Analysis**

Analysis started when all data had been captured and entered in to the appropriate data base. Closed ended questions were being analyzed using nominal scales in to mutually exclusive categories and frequencies. Open ended question were being analyzed using post coding prior to entering data of the Statistical Programmed in order to generate that assisted in the analysis of the obtained information. Actual narrative from the report was provided in context. Analysis involved production, an interpretation of frequencies and tables, that describing and summarized to make a picture.

Quantitative data were being analyzed by making totality based on most payment response from the study population. The qualitative data used to track down and provide more information and analysis of the occurrence of certain practices and behaviours that contribute on tailoring business in Zanzibar economy. The Data analysis obtained through SPSS computer program- version 20 data gathered.

## **CHAPTER FOUR**

### **4.0 DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the findings of the data collected from the selected tailors and owners of tailoring businesses at Urban West Region, Zanzibar. The findings reveal variables on conducting of tailoring business in Zanzibar economy.



There were four specific research objectives which were instructing the collected data; those objectives were identifying the different forms of tailoring industry in Zanzibar, to assess the way on how tailoring create jobs as reducing poverty in Zanzibar, analyzing whether the tailors and owners pay tax as the contribution to Zanzibar economy, and analyzing challenges facing tailors and owners of Zanzibar.

The findings reveal that tailoring industry has provided the creation of jobs to many people of Zanzibar. Many tailors and owners of tailoring businesses earn insufficient incomes which caused by various reasons including business risks, industrial technology and business tactics and techniques.

#### **4.2 Data Analysis and Presentation**

The questionnaires were distributed to hundred respondents those categorized to 80 tailors and owners, 10 for Giant Owners and 10 for customers. By considering that the weaknesses and challenges of all tailors and owners in Zanzibar resemble, the researcher had taken the sample size of 0.5 respectively on regarding the genderissue, where the researcher had chosen 20 male respondents and 20 femalerespondents.

On the hand of Giant Owners the researcher had taken 3 respondents from Private Companies and 2 respondents were from public companies (Zanzibar security brigades). About customer respondents, the researcher had taken 3 females and 2 males who completed the total sample sized of 50respondents as it shown in table 4.1.

**Table 4.1: Category and Sex of the Respondents Involved in the Study as a Sample Size**

Respondents		Sex		Total
		Male	Female	
Giant Owner	Public companies	-	-	2
	Private companies	-	-	3
Tailors and Owners		20	20	40
Customer		2	3	5
<b>Total</b>		<b>22</b>	<b>23</b>	<b>50</b>

Source:Data analysis(2013)

**Table 4.2:Forms of Tailoring Business in Zanzibar**

Forms of Business		Frequency	Percent
Valid	Sole proprietor	36	80.0
	Partnership	6	13.3
	Private Co.	1	2.2
	/Public Co.( ZSB)	2	4.4
	Total	45	100.0
Missing	System (Customers)	5	
<b>Total</b>	<b>Sample (0.5)</b>	<b>50</b>	

Source:Data analysis(2013)

The study found that the ownerships of tailoring businesses conducted in Zanzibar are Sole proprietors, Partnerships, Private Companies and Public Companies (Zanzibar Security Brigades) whereby, out of hundred percent, Sole proprietors were 80%, Partnerships were 13.3%, Companies were 2.2% and Government/Public were 4.4% as is it illustrated in Table 4.2

With analytical examination the researcher found that tailoring had contributed to reduce unemployment in a large extent as it is shown in Table 4.3. 39 owners and

tailors who had provided employment to others were equal to 86.7%, 6 owners and tailors who had not provided employment were equal to 13.3% whereby 5 customers were not required to answer the questions about employment. These results showing the evidence that tailoring in Zanzibar creates jobs in a large extent.

**Table 4.3: Employment Extension of Tailoring Business in Zanzibar**

Employment provided		Frequency	Percent
Valid	Yes	39	86.7
	No	6	13.3
	Total	45	100.0
Missing	System (Customers)	5	
<b>Total Sample(0.5)</b>		<b>50</b>	

Source: Data analysis(2013)

In order for the business to pay tax, firms should first be registered by specified authorities. The Table 4.4, showing the identification of tailoring businesses which were registered in Zanzibar. It was that, out of 45 respondents who were required to fill the questionnaires. 12 respondents who were registered were equal to 26.7%, 33 respondents were not registered who were equal to 73.3% whereby the rest 5 customers were not required to answer the questionnaires.

**Table 4. 4: Registered Firms of Tailoring Industry in Zanzibar**

Firms' Registration		Frequency	Percent
Valid	Yes	12	26.7
	No	33	73.3
	Total	45	100.0
Missing	System (Customers)	5	
<b>Total Sample(0.5)</b>		<b>50</b>	

Source: Data analysis (2013)

The study found that owners and tailors were paying the taxes in three different authorities, as it categorized in Table 4.5. Out of 45 owners and tailors, only 12 respondents were registered and paying taxes to different authorities, whereby 8 respondents were paying taxes to the Local Government Authority who were equal to 66.7%, 2 respondents were paying taxes to TRA who were equal to 16.7%, 1 respondent was paying taxes to both TRA & ZRB who was equal to 8.3% and 1 respondent was paying taxes to all three authorities (TRA, ZRB and Local Government Authority).

**Table 4.5: Different Authorities where Owners & Tailors Registered to Pay Taxes in Zanzibar**

Tax Pay		Frequency	Percent
Valid	Local Government Authority	8	66.7
	TRA	2	16.7
	TRA & ZRB	1	8.3
	TRA, ZRB and Local Government Authority	1	8.3
	Total	12	100.0
Missing	System	38	
Total		50	

Source: Data analysis (2013)

In the course of the research conducted, the researcher had come to understand that, the tax rate set to be paid for 12 Owners and Tailors were very reasonable. Those taxes were being paid yearly. Most of respondents were not registered therefore they didn't pay taxes. 33 respondents out of 38 cited as missing system in the Table 4.6 did not pay taxes and the rest 5 were customers (Not required).

Duration of Tax pay	Frequency	Percent
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Valid	Yearly	12	100.0
Missing	System	38	
<b>Total</b>		<b>50</b>	

**Table 4.6:Duration of Paid Taxes by Owners and Tailors**

**Source:***Data analysis*

The Tax ranges of Tzs 51,000-100,000 were being paid by 8 respondents which were equal 66.7% and Tzs 101,000 and above were being paid by 4 respondents out of 12 Tax payers which were equal to 33.3%. The researcher was limited to find out the exactly amounts that were being paid, as it is shown in Table 4.7.

**Table 4.7:Ranged Amounts of Tax Paid by Owners and Tailors in Zanzibar**

Ranged Amount of Tax		Frequency	Percent
Valid	51,000-100,000	8	66.7
	101,000 and above	4	33.3
Total		12	100.0
Missing	System	38	
<b>Total</b>		<b>50</b>	

**Source:**Data analysis(2013)

According to Table 4.8 illustrations, the researcher found that only one female tailor was paying tax, who acts as a Giant Owner manager. The rest Giant Owners (Zanzibar Security Brigades) do not pay taxes simply because they make garments (uniforms) for their own. It found that females were not registered and taxed because they do their tailoring businesses at their homes.

While a few males who were being paying taxes were doing their businesses either beside roads or in Stone town Zanzibar. Also the researcher found that, most Giant owners were conducting their businesses in stone town Zanzibar and at the Free Economic Zone (Amani Industrial Park).

**Table 4.8: Identification of Tax Payers in Term of their Gender**

Participants		Sex		Total
		Male	Female	
Giant Owner	Public (Zanzibar Security Brigades)	2 (Manager)	-	2
	Private	2 (Manager)	1 (Manager)	3
Tailors and Owners		7	-	7
Total		11	1	12
Missing (Respondents)		11	22	33
Missing (Customer)		2	3	5
Total Sample size (0.5)		24	26	50

Source: Data analysis

The study found that homemade garments are more preferred than outside garments. The questionnaires were provided to 5 customers by considering their gender. Males were 2 and females were 3. The respondents who addressed home garment were 3 that were equal to 60% and the rest 2 respondents were being preferred both home garments and outside garments, those two customers were equal to 40% as shown in Table 4.9.

These results evidenced that our home tailors have the good opportunities in their job, if more effort will be taken their earnings will be increased which will result the growth of Zanzibar economy.

Customer Preferences		Frequency	Percent
Valid	Readymade garment in & outside of Zanzibar	2	40.0%
	Readymade garment in Zanzibar	3	60.0%
	Total	5	100.0%
Missing System		45	

<b>Total</b>	<b>50</b>	
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**Table 4.9: Garments Made in and out of Zanzibar**

**Source:** Data analysis (2013)

#### **4.2.1 Challenges**

The researcher found that Owners and Tailors had noted the various challenges that were filled in the given questionnaires. Those challenges were presented by respondents in different motions. The researcher therefore, had come up with ideas of setting those multiple challenges into 9 groups named as it is shown in the table 4.10.

The total respondents who filled the questionnaires were 50 but total noted challenges were 132 times, which equal to 100%. The challenges were numbered as follows:

**Challenge 1**, “Scientific and Business knowledge”, the researcher found that the challenge 1 was noted and got the 3<sup>rd</sup> position as the highest percentage. It was addressed by 29 respondents who were equal to 22%. The researcher found that this challenge was addressed by both Giant owners and other Tailors.

**Challenges 2**, “Initial and Running Expenses”, the researcher found that challenge 2 got the largest number of 34 respondents who were equal to 25.8%.

**Challenge 3**, “Failure and Timing Cash inflow” this challenge was noted by 32 respondents which equal to 24.2%. Due to this result the researcher found that, it was caused by Challenge 1 which called “Scientific and Business knowledge”

**Challenge 4**, “Cheap garment importing” this challenge was addressed by only one respondent. This showing that it was not potential challenge because it has got only 0.8%.

**Challenge 5**, “Massive dumping used clothes” this challenge was raised by 6 respondents who were equal to 4.5%, while it was not noted by Giant Owners.

**Challenge 6**, “Unfair Taxation”, the researcher found that challenge 6 was noted by Giant Owners (Private) and Owners and Tailors. In total this challenge was addressed by 4 respondents who were equal to 3.0%. The respondents argued on this challenge that, they were being charged by more than one authority and those charges do not regard the growth market share of a business firm, something that can harm the tax payer or an authority to lose its accurate collection.

**Challenge 7**, “Higher rate of buildings”, this challenge was addressed by 2 respondents who were equal to 1.5%. The researcher found that this challenge was addressed by one Giant Owner and one Local Owner. This showing that many Owners and Tailors were being worked in their own buildings and those who were being hired, they might be afforded the rates.

**Challenge 8**, “Lack of government support”, this challenge was addressed by 13 respondents who were equal to 9.8%. The researcher found out that this challenge was not addressed by any Giant Owner.

**Challenge 9**, “Higher rate and shortage of electricity”, the researcher found that, this challenge was addressed by 11 respondents who were equal to 8.3%. The challenge was in between upper and lower percentage level whereby the upper percentage was



25.8%, 24.2% and 22.0% while the lower level was 0.8%, 1.5%, 3.0% and 4.5% therefore 8.3% and 9.8% was the middle percentage of respondents.

**Table 4.10: Challenges facing Owners and Tailors of Zanzibar**

Challenges	Respondents		Percent of Cases
	No	Percent	
1. Scientific and Business knowledge	29	22.0%	64.4%
2. Initial and Running Expenses	34	25.8%	75.6%
3. Failure and Timing Cash inflow	32	24.2%	71.1%
4. Cheap garments importing	1	0.8%	2.2%
5. Massive dumping used clothes importing	6	4.5%	13.3%
6. Unfair Taxes	4	3.0%	8.9%
7. Higher rate of buildings	2	1.5%	4.4%
8. Lack of Government Support	13	9.8%	28.9%
9. Higher rate and shortage of electricity	11	8.3%	24.4%
Total	132	100.0%	293.3%

**Source:** Data analysis (2013)

With the analytical information as it illustrates in table 4.10 showing that challenge 2, 3 and 1 won 29, 28 and 24 respectively. This analysis witnessed that, these three challenges became the main of those facing tailors and owners who created job to others.

If within the challenges they could provide the employment to others in large, so that it indicates the sustainability of tailoring business in terms of employability, this was one of the research objectives.

Challenge 9 and 8 won 10 respondents respectively as it illustrates in Table 4.10.1 that were in medium range. Other challenges were 5, 6, 7 and 4 won 5, 4, 2 and 1

respectively, were in the lowest range. Even all challenges have to be solved but the three top challenges can be given the first priority.

**Table 4.11: Cross Tabulation of Challenges Against Job Creation**

Challenges	Provided Employments		Total
	Yes	No	
1. Scientific and Business knowledge	24	5	29
2. Initial and Running Expenses	29	5	34
3. Failure and Timing Cash inflow	28	4	32
4. Cheap garments importing	1	0	1
5. Massive dumping used clothes importing	5	1	6
6. Unfair Taxes	4	0	4
7. Higher rate of buildings	2	0	2
8. Lack of Government Support	10	3	13
9. Higher rate and shortage of electricity	10	1	11
<b>Total</b>	<b>39</b>	<b>6</b>	<b>45</b>

Source: Data analysis(2013)

**Challenge 2, 3, and 1** were like the first cross tabulation of challenges against job creation, they won 29, 27, 26 respondents respectively, this were for sole proprietor which had the large number of respondents rather than other three forms of ownership. The researcher found that partnership addressed challenge 3, 2 and 1 won 5, 3 and 1 respondent respectively.

These numbers were not few if compared with sole proprietor respondents. This still witnessed that the challenge 1, 2 and 3 facing all forms of tailoring business especially sole proprietorship followed by partnership. Companies (Privates and Public) were addressed only challenge 1 and 2 and won 1 and 1 respondent respectively. Challenge 3 was not addressed by companies as it illustrates in Table 4.10.

Challenge 8, 5 and 9 were addressed by sole proprietorship and won 13, 6 and 6 respondents respectively. Challenge 9 was addressed by all business forms as follows; sole proprietor won 6 respondents, partnership won 3 respondents respectively and Companies won 2, whereby Private 1 and Public 1 respondents. Noted that challenge 6 was not addressed by Public company (Zanzibar Security Brigades). Challenge 7 was addressed by only proprietor who won 2 respondents.

**Table 4.12: Cross Tabulation of Challenges against Business Formation**

Challenges	Forms of business ownership				Total
	Sole proprietor	Partnership	Private Co.	Public Co.	
1. Scientific and Business knowledge	26	1	1	1	29
2. Initial and Running Expenses	29	3	1	1	34
3. Failure and Timing Cash inflow	27	5	0	0	32
4. Cheap garments importing	0	1	0	0	1
5. Massive dumping used clothes importing	6	0	0	0	6
6. Unfair Taxes	2	1	1	0	4
7. Higher rate of buildings	2	0	0	0	2
8. Lack of Government Support	13	0	0	0	13
9. Higher rate and shortage of electricity	6	3	1	1	11
<b>Total</b>	<b>36</b>	<b>6</b>	<b>1</b>	<b>2</b>	<b>45</b>

Source: Data analysis

#### 4.2.2 Weaknesses

The researcher decided to raise this issue of identifying weaknesses of the tailoring in Zanzibar which were answered by all respondents' population size including Giant Owners, Owners and Tailors and Customers as the Table 4.11 illustrates. The results as it quoted from sample size questionnaires and answered. The decision of raising a

question about weaknesses was to find out more points that will help to recommend and conclude in chapter 5. Like challenges, weaknesses were the multiple selections which were answered separately, whereby some of them answered either one or more than one time by their own choice.

The researcher therefore, grouped the respondent's answers into six weaknesses, in order to enter data easily, in SPSS Computer Program version 20. The researcher categorized those weaknesses as follows:

**Weakness 1** “Low level of knowledge”. This challenge was noted by 17 respondents who were equal to 19.8%, this percentage won chance number 3 of the highest percentage levels.

**Weakness 2** “Use of isolated technology”. This weakness addressed by 6 respondents who were equal to 7.0%, this percentage won chance number 4 of the highest percentage levels.

**Weakness 3** “Less valuing of their profession”. This weakness won the highest number of percentage of all groups, it was addressed by 32 respondents who were equal to 37.2%.

**Weakness 4** “Dishonest”. It was addressed that some Owners and Tailors were being dishonoured when they conducting their jobs, they were said to be liar in various incidents. This was addressed by 1 Giant Owner, 1 Customer and 2 Owners and Tailors, who were 4 respondents in total. This number was equal to 4.7% which had taken the lowest chance in all weaknesses.

**Weakness 5** “In conducive Places of Work”. This weakness had taken 5.8% where it was addressed by 5 respondents. According to the data this weakness was noted by Tailors only.

**Weakness 6** was addressed by 22 respondents who were equal to 25.6% that had taken the second highest chances.

The researcher found that all weaknesses that addressed by respondents were important even other weakness had got lower percent, for example weakness 4, “Dishonest” was very important issue because a productive and profitable business depends on good customer relationship.

Also the weakness 5, “In conducive place of work”, was very important even it was raised in lower percentage. The researcher found that most of work places he had visited were not conducive, they were squeezed, no ventilation and workers didn’t have protection equipments such, which help to protect them from dust waste. Without enough ventilation and lights and other protective equipments, workers can suffer from various diseases like eyes and chests.

**Table 4.13: Encountered Weaknesses of Tailoring in Zanzibar**

Weaknesses	Respondents		Percent of Cases
	No	Percent	
1) Low level of knowledge	17	19.8%	37.8%
2) Use of isolated technology	6	7.0%	13.3%
3) Less valuing of their profession	32	37.2%	71.1%
4) Dishonest	4	4.7%	8.9%
5) Inconducive places of work	5	5.8%	11.1%
6) Lack of unity and association	22	25.6%	48.9%
<b>Total</b>	<b>86</b>	<b>100.0%</b>	<b>191.1%</b>

**Source:** Data analysis

### **4.3 Discussion of the Findings**

The discussion of the research findings could be crossed from any aspect raised on empirical analysis from various scholars as to support the possibility of such research findings and analysis, and the research outcomes, conclusion and recommendation. This means, that any conducted research should have the gap and limitations so that various researches differ in some aspects and relate in other aspects.

A gap in a certain conducted research, therefore, can be filled in the next researches if the scholar seeks the necessity of doing such task. Research findings depend on a study idea or approach/design gathered. Research is always conducted according to the main aim of such study. The topic of this research is “Analysing the Contribution of Tailoring business in Zanzibar economy”, so that the researcher examined the various aspects that relate to the contribution of economy from various scholars.

This research had been related with other research findings within and outside countries which had been categorised as study in the world, study in Africa and study in Tanzania. Kavar is one example of a scholar whose study relates with some areas of this research but also not relate in other areas, she had studied as a scholar in the world. Her research topic is “Decent work and Poverty Reduction” her study included skills development for job creation, and economic growth, and poverty reduction.

Also the study was compared the worldwide countries that were categorised as follows: South Asia, Arab Region, Europe and Central Asia, Africa, Latin

America and the Caribbean, East Asia and Pacific. Her data were collected from ILO destinations and World Bank as her respondents. Kavar had used the secondary data to make her research analysis.

Kavar (2012), in her findings had identified that skills development can contribute the growth of economic from informal to formal economy. In her study, she compared the Arab region with the East Asia. She found that the Arab region cited skills and education as a major constraint to business growth. However, in East Asia employers' level of concern does not appear to be matched by similar level of commitment to provide on-the-job learning opportunities.

As also the Arab region shared with South Asia the distinction of having the lowest incidence of formal training at the workplace, with just fewer than 20% of firms that they provide formal training to their workers. The Arab region was the only one where more firms cited skills and education as major constraints than helped meet that need by providing formal training.

With relating the Kavar's research, this study has the aspects which relate with Kavar's research; those are job creation and poverty reduction and skills. Through the findings, this was the big challenge that encountered by respondents that it hinder the development of tailoring industry in Zanzibar.

Nordas was another quoted scholar by the researcher as he is a world scholar. His research topic was "The global textile and clothing industry post the Agreement on textile and clothing- Supply Chain in Textile and Clothing". One of his

objectives was to analyse the Export tax equivalent of quotas base year and Comparative advantage. Nordas had collected his data from secondary source (WTO). Nordas' world study relate this study in terms of industry even Nordas studied in wider by adding Textiles while this studied in clothing (tailoring) only.

Other related areas were Exports and Imports Quotas. Nordas found that China, Viet Nam, Macao, China, Pakistan and India appear to be the countries and territories most restricted by quotas and these have all comparative advantage in textiles and clothing and have experienced rapid export growth during the 1990s. The issue resemble this was suggested by the researcher of this study on reducing importing of cheap garment and massive dumping garments for the aim of protecting the tailoring industry especially in Zanzibar.

In other way Nordas' research witnesses and shows the RGoZ the way to the World Trade Organisation through garments as recommended by researcher. In his recommendation the researcher suggests the means of promoting Tailors and Owners of tailoring with their industry as a new government project sector.

This will improve the government economy if compared the rapid population growth which is now reaching at 1.3 million, according to census conducted in 2013. Norda's study also relates in terms of aspects like employment, skilled and unskilled labour etc. Across two scholars, Nordas and Mary Kavar, the researcher found that all these scholars were related in terms of collecting data method, they had used



secondary data for analysis in their total studies, something that differ from this study.

By comparing the findings across African studies the researcher quoted Andy Salm as a scholar who studied in Africa, whose research titled “Botswana textiles and apparel sector study”. Since the textile and apparel industry became the important contributor to economy, Government of Botswana aimed to generate export sales.

Even though Andy Salm found that there were a lot of disadvantages which being constrained to exploit the competitive advantage in the market. Andy analyzed some major advantages encountered by the respondents including lack of support services for the industry in Botswana, resistance from South African suppliers and further abroad, few trained technicians and supervisors exist in the country, and facilities to train them.

These Andy’s findings relate with some of challenges encountered by tailors and owners of tailoring in Zanzibar. They were being suffered from enough level of their incomes, low levels of knowledge both vocational and of running their businesses and others. The issue of skills development were being investigated even by Mary Kwar as noted in the earlier empirical study of this research.

Omolo, is another scholar who studied in Africa. His research title is “The Textiles and Clothing Industry in Kenya”. Omolo found that, the Textile and Clothing industry has made a major contribution to employment creation and poverty reduction in Kenya. But also he found that the growth of income through that industry were very low level.

Omolo's findings relate this study in terms of research title even his study was so widen by adding textile activities. Other relating areas were of challenges inhibiting the growth rate income through that industry in Kenya comparing challenges encountered by respondents in this research that, it hinder the development of Tailoring especial in Zanzibar.

The noted challenges by Omolo were lack of accurate data on the actual level of employment created by all the units within the sector and other challenges. By compared this challenges, the researcher of this study also found the same challenge which lead to suggested RGoZ to census and register all owners and tailors of Zanzibar for further economic processes which will enable the industry having enough generating in both personal incomes as well as to contribute to the national economy.

In coming back home, the first noted scholar was Olomi. This scholar, in his book called "African Entrepreneurship and Small Businesses Development"; quoted his, another book of 2001. His speech repeated in book of 2009 said about the modifying of small businesses.

This empirical study relates with this study because it support that, it is possible to improve by stop looking tailoring business as an informal sector. RGoZ is suggested by the researcher to consider Tailoring to be a new government project sector because it has been conducted by many people in Zanzibar.

The unlike thing is that, still earnings from tailoring are lower. The researcher believes that, if the revolution of this industry will be done, Tailors and Owners will be enjoying enough earnings as well as boosting the Zanzibar economic growth.

O' Riordan Jacqui is the researcher who studied in Tanzania whose research topic is “Educational background, training and their influence on female-operated informal sector enterprises. “It quoted that he arose his study due to the increasing role that women are playing in petty trade and what is generally termed the informal sector including Tailoring.

The researcher had decided to pick out Jacqui O' Riordan because its topic relates this study in term of forms of business which was one among objectives of the research.

Another one is job creation which said as a means of poverty reduction. Even this research did not consider the exactly levels of respondents education and skills but it was being known that many local tailors were acquired outside formal schools as it noted in the conceptual frame work of this research. Jacqui O' Riordan in his findings, he found that, theless of women's knowledge and skills lead the lower ability of them to reduce their poverty.

The deference of O' Riordan Jacqui's study compared with this research are titles, but they relate in many economic aspect such as job creation and poverty reduction, skills and potential knowledge, low levels of income and size of businesses that are

all operating under the condition of informal sectors even some are registered but they do not relate with their annual turnover regardless their business total assets.

Another gap is that O' Riordan Jacqui's research found the analysis from secondary data in large part compared with this research. Also there is a gap that his research dealt with women works only but most of business challenges resemble as they uncouncted by local tailors and owners in this study.

MSTC had prepared working paper about the development of tailoring in Mwanza.

This institution had been established in Tanzania aimed at help with the development of tailoring sector which was noted amongst the poorest section both rural and urban areas.

Due to MSTC assistance, tailors and owners become capable of raising their incomes through tailoring. MSTC- SIDO Project had been helped tailors providing them the better sewing machines with cheaper prices. MSTC- SIDO Project also being helps vocational training, skills and machine maintenance.

This document relates the findings because it touches all main challenges rose by tailors and owners of tailoring in Zanzibar. More over the scholar of MSTC paper used data from primary sources of different districts respondents in Mwanza Region, like our researcher did in his study entitled "analysing the contribution of tailoring business in Zanzibar economy"

## **CHAPTER FIVE**

### **5.0 SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter summarizes the results of the study findings in chapter four and draws conclusions from them.

#### **5.2 Summary of the Main Findings**

The aim of the study was to analyze the contribution of tailoring business in Zanzibar economy. The chosen case study was the Urban West Region where the most owners and tailors of Zanzibar are conducting their tailoring businesses. The study survey comprised of 100 respondents which were in total. Out of 100 respondents, 80 were Owners and Tailors, 10 were Giant owners and 10 were Customers. The selected sample size was 50 that made in three respondent groups of 0.5 respectively.

The researcher gave the questionnaires and interviewed the Giant owners (Public and Private Companies), Local tailors and owners, and Customers allocated in Urban West Region. The study found out the several factors which reluctant the growth of tailoring development even employment through that industry was increasing day to

day in Zanzibar, but its contribution in Zanzibar economy were seemed to be very minor according to the secondary findings of this study.

In particular, lack of a skilled workforce, low levels of machinery used because of low levels of less investment, and a non-competitive marketing orientation because of bottlenecks, rigid and deterrents of giving the priority to tailoring sector. To overcome these, the study suggests a set of policies initiatives that can encourage to employment generation in this sector.

The study and its recommendations encompass some limitations of the survey. These could be listed as: presence of marketing oriented units in each of the samples, inability to offer tailors real earnings' perspective as qualitative part of survey and so that addressed only managerial viewpoints. This holds particular significance in owners and managers where the artisans and job performs form the actual of the tailoring industry.

Finally the researcher found the challenges encountered during the conduction of this research analysis. According to the study, the researcher found that Tailors and Owners would want to be given attention to support them for developing and strengthening of their industry system by their government and other development stake holders by considering the challenges encountered during the conduction of this research.

It's therefore a higher forward and backward linkage to initiate by addressing these challenges facing Tailoring business in Zanzibar. This means that the RGoZ and

other development stake-holders should keenly share on extensive solution to the problems faced Tailoring sector in Zanzibar, reducing the problem statements to broaden into a scourge.

The raised challenges by the tailors and owners of tailoring were multiple. In order to simplify the researcher tried to set up those multiple challenges into 9 common groups named in code numbers as follows: Challenge 1, Scientific and business knowledge; challenge 2, Initial and running expenses; challenge 3, Failure and timing cash inflows; challenge 4, Cheap garments importing; challenge 5, Massive dumping used clothes; challenge 6, Unfair taxes; challenge 7, Higher rate of buildings; challenge 8, Lack of government support and challenge 9, High rate and shortage of electricity.

In the course of interviews that have been conducted with both the giant and local owners with regard to challenges that they are facing in the conduct of their businesses, the researcher had been made to understand that Scientific and Business knowledge and Initial and Running Expenses are the main challenges that almost all owners facing in their business undertakings.

However, Failure and Timing Cash Inflow (challenge 3) won the highest percentage but this causes by the identified challenges (1 and 2) “Scientific and Business Knowledge” and “Initial and Running Expenses”. Importation of Cheap garments, Massive dumping of used clothes, Unfair Tax, Hiring of buildings and Lack of Government support is other challenges that contribute immensely in hampering the development of tailoring industry in Zanzibar.

### **5.3 Conclusion**

It was concluded from the findings of this study that tailors and owners of tailoring were enjoying on conducting their works. Gender and age did not hinder them. Job creation was so comfortable, forms of business were sole proprietor, partnership and companies which were categorised into two groups and those were private companies and public companies (Zanzibar security brigades).

Both Tailors and Owners including Giant owners are performing under micro and small business condition in terms of their annual turnovers levels regardless number of employees and their total assets according to SMEs policy 2006 (RGoZ).

### **5.4 Recommendations**

Lack of facilities such as adequate level of knowledge, using modern technology, valuing of tailoring profession, good customer relationship (to be honest), conducive places of work and tailoring unit and associations, were encountered by the owners and tailors that they thought were the weaknesses to them.

If there is a conducive working environment, tailoring performance will be efficiently and effectively. The main benefits of that good performance will be the increasing of better garment products and home customers will be attracted to buy even exporting a broad countries especial willing a survival in East African business competition.

The researcher therefore, suggests RGoZ to be committed in finding new areas and means of generating its incomes by allocating opportunities to tailors and owners so as to promote them on their sector aimed at creating sustainable earnings which will increase contribution to Zanzibar economy.



There must be collaboration among academia, industry, government and other stakeholders in order to support tailors and owners and tailoring profession because many people depend tailoring for their livelihood. The researcher therefore insists the RGoZ to ensure the friendly business environment, sufficient infrastructure, and efficiency and effective public services, which in turn encouraging the tailoring industry development process.

Sometimes a part of economy in a country might be faced with certain crisis that leading the economic decline so other parts, if there are, can either cover the gap or increase the income. This statement reminds the RGoZ on its promises of taking a lead in promoting locally produced goods and industries(Revisited Zanzibar Development Vision 2020 –RGoZ, 2011).

Since the universities were considered being the stake holders of the country development the researcher had come up with the analytical study recommendations and conclusions based on encountered challenges that hinder the developments of the Tailors and Owners of tailoring of Zanzibar and their weaknesses.

#### **5.4.1 Recommendations to Revolutionary Government of Zanzibar**

##### **(i) The Government and owners Support to tailors of tailoring in Zanzibar**

During the conducting of this research concerned with analyzing the contribution of tailoring in Zanzibar economy, the study found that tailoring had created many jobs and reduced unemployment in large extent but the incomes of tailors and owners were insufficient. Many challenges were listed that they hinder the development of their profession.Challenge 8 “Lack of Government support” was not raised by many

respondents, and not quoted by any Giant owner, but the researcher saw the importance to list it in number one of his recommendations, because the main challenges might be solved for the support of government.

Maintaining public service quality and infrastructure, and encouraging new sector projects are the suggested ways to the developing countries like Tanzania. The researcher therefore, suggests RGoZ to demonstrate the business environment. Public services quality and infrastructure significantly influence the growth of the new or promoting informal into formal economic sectors that reflects Olomi the study quoted in chapter two of this research about a change from traditional business/informal to formal.

**(ii) Stop looking tailoring industry as informal sector**

Tailoring is a profession like other professions which can be an important component of the trade and industrial sector of an economy, while the RGoZ targets for the employment creation and poverty reduction.

The study found that many tailoring firms in Zanzibar were not registered, therefore the researcher suggests the government to register its Tailors and Owners, incubating them by organizing in complex buildings, facilitating them by providing assets and monitoring their development over the timeframe programmed or till they become comfortable.

**(iii) Have to do census and database on all tailors and owners of tailoring firms within Zanzibar**

It is important for RGoZ to consider in addition ways for economic growth that will raise income levels as means to ensure poverty alleviation. With the analytical evidence through this study the researcher investigate that tailoring can form a major part of industrial sector that can contribute to the overall growth of Zanzibar economy in terms of Growth Domestic Products (GDP), employment generation and exports, so there is a need for the RGoZ to censor the overall tailors and owners, and having a database of this industry.

**(iv) Establishing high learning institution**

The delivery of art and technical education, business knowledge and apprenticeship training must be improved to meet the needs of the tailors market. Tailors and owners of tailoring have to success to technical vocational training and business knowledge so as to develop their talents.

The apprenticeship system must duly be reformed of studies, this when will endow students with the request practical skills and adequate theoretical knowledge necessary to impart on the world of work. One of the main challenge addressed by Tailors and Owners was challenge 1 “Scientific and business knowledge” during the conducting the study.

The researcher found that many respondents addressed this challenge, the researcher therefore, suggests the RGoZ to collect its efforts making sure that tailors and owners of Zanzibar have the High schools of scientific which will enable them to use modern machines and make necessary machinery and equipment maintenance. This will lead avoiding the use of isolated tailoring machines also they could have the ability to recognize better working machines.

Most of imported machines were not better. Entrepreneurship/business knowledge is also important to them; it will help them recognizing the records and its importance, proper acquisition, bargaining power, store management (including economic order quantity etc), forecast/plan, cash flow management, finding new market/diversification, segmentation, product orientation, price setting, customer care and other business techniques and tactics. By prioritize on these, tailors and owners can compete and tailoring industry will be most productive and profitable.

**(v) Financial support and loan facilitation to Tailoring Industry**

The study found that many Tailors and Owners start tailoring with very less investment so RGoZ is suggested to bring loans with small interests. The researcher therefore, had come with suggestion to a government to consider carefully funding tailoring industry in order to preserve the value of the assets and generate opportunities for regular employment over an extended period of time.

This step will be better taken for those who agree to work as joint ventures and have given the knowledge of entrepreneurship and management of businesses gathering with their skills and tailoring experiences they might be competent in performing efficiently, productive and profitable. Many tailors have very small capital and do not meet bank loan measured such as to have loan securities.

**(vi) Importation Quota Regime**

In order to protect our home industries, government must review its licensing regime accordingly. The study found that, the importing of new cheap garments, massive dumping used clothes, under quality fabrics, low machinery and parts, and other

items imported illegally bring the stresses to our home tailors and owners of tailoring of Zanzibar.

The study suggests RGoZ to be very serious to review its importing regulation to stick on the potential areas and seek which units to be limiting or even total burn or any other restriction wise in order to protect our home industries especial tailoring industry. This might be stimulating new creation of jobs and poverty reduction for large extent in Zanzibar.

Since many people invest in this industry, the RGoZ must not hesitate to support by keeping friendly environments. For reducing the importing of under standard goods in Zanzibar it's suggested to use the ZBS unit.

#### **(vii) Income Tax and VAT Charging**

The researcher suggests that after all industry be registered by the appropriate authorities and to be supported effectively, productively and profitable success, than firms should be monitored to seek their actual trends in order to be recharge taxes or VAT according to their market share positions instead of guess evaluation which might harm the owners.

Finally, as it noted by researcher, the recommendations were presented through the challenges those were more addressed by the tailors and owners of tailoring conducting in Zanzibar.

#### **5.4.2 Recommendation to Public Companies(Zanzibar Security Brigades)**

Motivation on tailors, new market segments and potential on vibrant economy of Zanzibar Tailoring in the Zanzibar security brigades is not performing for the purpose of business, they do clothes for their own uniforms but if they get out some orders, they do. The commanders are looked very smart as well as other soldiers while all their garments are made by their own tailors, even the suits that are worn in special occasions and government celebrations are all made by themselves. The study suggest as follows:

Soldiers who work in tailoring sections are to be motivated in both ranked and of nobles in order to increase their moral of working and encouraging them more creative within their places of work. Also it is important to keep them in training programmes of long and short terms include study tours of their profession. To find new market segments instead of producing for them only.

They have to train their soldiers with modern technology in the area of model and designing as well as marketing knowledge at the higher levels in order to have the ability to compete in the world of business.

This step will help the brigades to cover the shortage of government budget and the income which earned may be considered as the retention, that can be authorized to be spent for other emergency issues or otherwise, like they do, saving for budget when they make their own uniforms.

The commission is suggested to keep the conducive environment at the place of conducting tailoring activities. Stop to use isolated working machines and equipments. Industry building should have enough ventilation and lights, having the special programs of medical examinations to protect the workers. Have the health protection equipments such as mask dust to prevent disease like eyes and chest when they working.

#### **5.4.3 Recommendation to Tailors and Owners**

The study has examined the complex that constraint the development of tailoring business in Zanzibar. The importing of Under-standard tailoring machines, Cheap garments, new garments, high price of materials ( fabrics and ornaments), massive dumping used clothes, and high price of modern machines, equipments and other spare parts and diverse issue , business environment in tailoring industry, non-competitive orientation, low levels of machinery used because of low level of investments, lack of skilled workforce, competitiveness, lack of proper structure and implementation of diversification and value addition strategies that may mean that once imports increase due to trade liberalization and all other that bring severe stress especial from outside countries need the effort of our government.

In the ways of solving these problems the study suggests the followings: There must be collaboration between academia, industry and government in order to find the solution may support researches to support tailoring industry. Policy formulation must be decentralized to involve more people and institutions.

The Tailors and Owners, those who are not registered, firstly they must be registered in order to be recognized, where are they? What are the forms of their businesses?

And what are the sizes of their businesses? Secondly, they are suggested to keep records showing the trends of their businesses.

Without practicing these two steps it will be hard for government to support their business. In addition, the discipline of keeping the accurate records of business transactions help tax authorities not to underestimate or overestimate, which can bring blames from payers.

Thirdly, local Tailors and Owners are suggested to join together as groups either partnerships, co-operatives or companies in order to share their ideas and to come up with more productive, efficiencies and effective ideas concerning segmentation and diversification of their garment markets.

Fourthly, Tailors and Owners both Giants and Local are suggested to form associations/trade unions which will help them having one voice, to their government and it will be easy for them to be listened. The origin of industrial jobs is better to be done by labour force. It is hard to be done by one person and achieve good result in a sound of economic manner.

Furthermore, tailors and owners must provide their information to the Office of the Chief of Government Statistician (OCGS) of Zanzibar in order to make them be known of their exactly contributions on Gross Domestic Product (GDP) base. The study found that only Zanzibar Fashion Co. Ltd (Dish Dash Tailoring Company)



has recognized by OCGS in Zanzibar as whole because the company had been keeping records compared to other firms which perform tailoring business.

Also Tailors and Owners are suggested to reduce over promises and telling their consumers lying and give the priority to educate themselves in their profession and adding the knowledge of entrepreneurship/business/marketing in order to struggle with controllable business challenges.

#### **5.4.4 Recommendation to Customers**

We (Customers) need to change the mindset, attitude and behaviour, training our people to have moral nationalization and to develop Zanzibar by buying made in Zanzibar. The study witnessed that our home tailors have the talents on performing their jobs of tailoring though few tailors do not care about their jobs those who are being performed badly, but most of them have the talents; if they are trained and change their mind by listen to us (customers) and do what we want by producing quality products within the time frame, customers, we must have moral nationalization and develop our Zanzibar by buying garments made in Zanzibar.

#### **5.5 Implication of the Finding**

The findings help tailors and owners of the tailoring to see the best ways of boosting the development of their own. Advise the Tailors and Owners of tailoring the importance of market segmentation to provide products in their targeted customers by producing them what they want. To advise Tailors and Owners of tailoring to form the unit and associations as their communication device to the government and other stake holders for the development of industry.

The finding also help the RGoZ show the Tailoring sector which need to be promoted the benefit of individuals as well as to contribute in Zanzibar economy in term of GDP and then might be exporting. Findings also showing the government and commission the importance of census the Tailors and Owners. Tax authorities, OCGS- Zanzibar and Ministry of trade have totake action of census registering, developing and monitoring; this will help to increase their income as well as to contribute in Zanzibar economy.

## **5.6 Limitation of the Study**

Sample size was 50 out of 100 respondents who filled the questionnaires. Some questionnaires were filled oppositely in between challenges and weaknesses so afterwards it ought the researcher to identify each question and put in its appropriate place. The researcher used his mobile phone to re-interview for some questions which confused.

Most of the respondents especial local tailors did not understand English language well. To mitigatethat problem, the researcher gave the instructions by translatingeach question another, and allow them to fill in Kiswahili, so it wasted much time. Budget were exceed then that budgeted by the researcher.

The researcher had the doubt about the earning data collected if were all true, some respondents especial Giant owners asked that always were being interviewed, they bring their challenges but they don't see an action being taken by the stake

holders. Data analyses were processed by computer program SPSS version 20 but might be some mistakes done when interpreting the results.

### **5.7 Suggestion for Further Study**

A single study cannot emerge with solution for all problems; the study had found the perceptions of Tailors and Owners of tailoring and how these perceptions and their challenges vary from each other.

The study had suggested the best approach of conducting tailoring business. However the study had identified the causes of the main challenges facing the industry and the solution to solve those challenges.

To end with this the, researcher suggests RGoZ, Tailors and Owners of tailoring, and other stake holders of development about the importance of getting high knowledge of engineering science and business/entrepreneurship that must be given the first priority by every part of country development.

The researcher believes that, if RGoZ become serious with suggested areas so that the social income will increase through tailoring and contribution to Zanzibar economy will also be seen in terms of GDP and trade balance.

Moreover the researcher comes up with suggestion to tailors forming the unity of their profession as the device of communicating to the government as well as to other development stakeholders.

Registration of all Tailors and Owners were seen by the study to be very important aspect. Tailoring works are labour force job, tailors were suggested to form joint ventures so as to share experiences and ensure efficiency in performing, productive and profitable outputs.

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## APPENDICES

### Appendix 1: Questionnaires for Giant Owners

Dear respondent,

My name is **Mwita, Mambo Hassan** doing master degree in Business Administration (MBA) in Open University of Tanzania. This questionnaire is



.....

**INSTRUCTION: Tick where appropriate.**

a) Male (      )                      b) Female (      )

a) Below 15years ( )    b) 15-20 years( )    c) 21-25 years ( )  
d) 26-30 years ( )    e) 31-35 years ( )    f) Over 35 years ( )

a) Single ( )                      b) Married ( )

c) Divorced( )                      d) Widow/Widower ( )

a) Sole proprietor ( )                      b) Partnership ( )

c) Private Company ( )                      d) Public Company ( )

5. Do you own or hire your place of work?

- a) I own(        )                      b) I hire (        )

6. What is your profession?

- a) Tailoring (        )                      b) Business/Entrepreneurship(        )  
c) Both(        )                      d) None (        )

7. Have you got enough working machines and equipments?

- a) Yes (        )                      b) No (        )

8. How long have you been working as a tailor?

- a) Less than two years                      (        )  
b) 2-4 years                      (        )  
c) 4-6 years                      (        )  
d) Above 6 years                      (        )

9. Is your business registered?

- a) Yes (        )                      b) No (        )

e) If Yes, where do you pay taxes?

- a) Local Government Authority (        )    b) TRA (        )                      c) ZRB (        )

10. If you pay for income taxes please select your right group.

- a) 10,000-20,000 (        )                      b) 21,000-50,000(        )  
c) 51,000-100,000 (        )                      d) 101,000 and above (        )

11. Do you pay monthly/yearly ?

- a) Monthly (        )                      b) Yearly (        )

12. What is your market segment?

a) Uniform garments (    )    b) Ordinary garments (    )    c) Both (    )

13. Do you work seasonally or continuously?

a) Seasonally (    )    b) Continuously (    )

14. If you work seasonally, in which period do you receive more customers?

.....

.....

.....

15. How does tailoring help you in generating your income?

.....

.....

.....

.....

16. How do you manage to save income?

.....

.....

.....

.....

17. (a) Do you provide employment for others?    Yes (    )    No (    )

(b) If yes, how many employees do you have?

i) 1-4 (    )    ii) 5-19 (    )    iii) 20-99 (    )

(c) If yes, how much salary do you pay them monthly?

i) 50,000 – 100,000 (    )    ii) 101,000-150,000 (    )    iii) 151,000-above (    )

18. How many employees are your family members?

.....

.....

19. What challenges do you face in your tailoring business?

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

20. What are your opinions about your business?

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

21. What advice would you like to give the Tailors and Owners of tailoring in  
Zanzibar?

- a) .....
- b) .....

- c) .....
- d) .....
- e) .....

22. What do you think are the weaknesses of our local Tailors in performing their duties?

- a) .....
- b) .....
- c) .....
- d) .....

I would like to thanks so much for your corporation, I also apologise you if any dislike in the whole proceeding.

**THANK YOU**

## **Appendix 2:Questionnaire for Owners and Tailors**

Dear respondent,

My name is **Mwita, Mambo Hassan** doing master degree in Business Administration (MBA) in Open University of Tanzania. This questionnaire is meaning a research purpose concerning “The contribution of Tailoring business in Zanzibar economy”. We are kindly request you to provide us with information that would make this study a success. Please feel free to provide the required input.

Whatever will be collected from you will be a confidential and that only used for the purpose of this study.

Name

.....

Address..... Cell. No.....

INSTRUCTION: Tick where appropriate.

1. Sex

- a) Male (     )                      b) Female (     )

2. Age

- a) Below 15years (     )    b) 15-20 years(     )    c) 21-25 years (     )  
d) 26-30 years (     )    e) 31-35 years (     )    f) Over 35 years (     )

3. Marital status

- a) Single (     )                      b) Married (     )  
c) Divorced (     )                      d) Widow/Widower (     )

4. What is the form of your business?

- a) Sole proprietor (     )                      b) Partnership (     )  
c) Private Company (     )                      d) Public Company (     )

5. Do you own or hire your place of work?

- a) I own(     )                      b) I hire (     )

6. What is your profession?

- a) Tailoring (       )                      b) Business/Entrepreneurship (       )  
 c) Both (       )                      d) None (       )

7. Have you got enough working machines and equipments?

- a) Yes (       )                      b) No (       )

8. How long have you been working as a tailor?

- f) Less than two years (       )  
 g) 2-5 years (       )  
 h) 6-8 years (       )  
 i) Above 8 years (       )

9. Is your business registered?

- a) Yes (       )                      b) No (       )

10. If Yes, where do you pay taxes?

- a) Local Government Authority (       )    b) TRA (       )    c) ZRB (       )

11. If you pay for income taxes please select your right group

- a) 10,000-20,000 (       )                      b) 21,000-50,000 (       )  
 c) 51,000-100,000 (       )                      d) 101,000 and above (       )

12. Do you pay monthly/yearly?

- a) Monthly (       )                      b) Yearly (       )

13. What is your market segment?

- a) Uniform garments (       )    b) Ordinary garments (       )    c) Both (       )

14. Do you work seasonally or continuously?

a) Seasonally (       )                      b) Continuously (       )

15. If you work seasonally, in which period do you receive more customers?

.....  
 .....

16. How does tailoring help you in generating your income?

.....  
 .....

17. How do you manage to save income?

.....  
 .....  
 .....

18. (a) Do you provide employment for others?    Yes (       )                      No (       )

(b) If yes, how many employees do you have?

i) 1-4 (       )                      ii) 5-19 (       )                      iii) 20-99 (       )

(c) If yes, how much salary do you pay them monthly?

i) 50,000 – 100,000 (       )    ii) 101,000-150,000 (       )    iii) 151,000-above (       )

19. How many employees are your family members?

.....



20. What challenges do you face in your tailoring business?

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

21. What are your opinions about your business?

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

22. What advice would you like to give the tailors and owners of tailoring in  
Zanzibar?

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

23. What do you think are the weaknesses of our local tailor in performing their duties?

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

I would like to thanks so much for your corporation, I also apologise you if any dislike in the whole proceeding.

**THANK YOU**

### **Appendix 3:Questionnaire for Customers**

Dear respondent,

My name is **Mwita, Mambo Hassan** doing master degree in Business Administration (MBA) in Open University of Tanzania. This questionnaire is meaning a research purpose concerning “The contribution of Tailoring business in Zanzibar economy”. We are kindly request you to provide us with information that would make this study a success. Please feel free to provide the required input.

Whatever will be collected from you will be a confidential and that only used for the purpose of this study.

Name

.....

Address..... Cell. No.....

INSTRUCTION: Tick where appropriate.

1. Sex

- a) Male (     )                      b) Female (     )

2. Age

- a) Below 15years (     )    b) 15-20 years(     )    c) 21-25 years (     )  
d) 26-30 years (     )    e) 31-35 years (     )    f) Over 35 years (     )

3. Marital status

- a) Single (     )                      b) Married (     )  
c) Divorced (     )                      d) Widow/Widower (     )

4. What kind of garment would you prefer? (Tick letter a or b)

- a) Readymade garment from outside Zanzibar (     )  
b) That is made by home tailor from my request (     )

5. If you prefer the garments from outside Zanzibar, why?

- a) .....
- b) .....
- c) .....

6. If you prefer the garment made on your personal request, why?

- a) .....
- b) .....
- c) .....

7. What advice would you like to give the Tailors and Owners of tailoring in Zanzibar?

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

8. What do you think are the weaknesses of our local Tailors in performing their duties?

- a) .....
- b) .....
- c) .....
- d) .....

I would like to thank so much for your corporation, I also apologise you if any dislike in the whole proceeding.

**THANK YOU**

